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    ACTION: CONS  
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DISSEMINATION: CONX  
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APPROVED: CONS: DPERRONE  
DRAFTED: CONS: CTURPIN/IKOLIS  
CLEARED: NONE

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TO RUEHC/SECSTATE WASHDC PRIORITY 5992  
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RUEHTH/AMEMBASSY ATHENS 0001  
RUEHTI/AMEMBASSY TIRANA 1161  
RUEHVI/AMEMBASSY VIENNA 1214  
RUEHRO/AMEMBASSY ROME 0528  
RUEHMD/AMEMBASSY MADRID 0653

UNCLAS SECTION 01 OF 04 SOFIA 000229

DEPT FOR CA/FPP; DEPT ALSO PASS TO KCC; POSTS FOR  
FRAUD PREVENTION MANAGERS  
E.O. 12958: N/A  
TAGS: [CVIS](#) [KFRD](#) [CPAS](#) [CMGT](#) [ASEC](#) [BU](#)  
SUBJECT: Semi-annual Fraud Summary Sofia; October, 2008 - March,  
2009

REF: 08 Sofia 0645

11. SUMMARY: Though overstay rates for Bulgarians may still be declining overall, low wages here continue to fuel problems in this area. Our latest H2B validation study, for instance, indicated a 33 percent overstay rate. On the other hand, our most recent B1/B2 validation study found the overstay rate down to around 3 percent. We continue to implement and refine our "No Thugs to America" policy, refusing applicants we believe to be connected with Bulgarian organized crime. FPU prepared a new in-house report regarding the evolution of organized crime structures and enterprises here. IV encountered some step-child fraud, along with more irrefutable evidence of false Roma asylum claims in follow-to-join cases. We saw no ACS/passport fraud during the reporting period. End summary.

12. COUNTRY CONDITIONS: Bulgaria's geographic position at the intersection of Europe and Asia makes it a transit point for illegal migration and alien smuggling. Relatively trying economic conditions in the country mean that Bulgaria is also a source country for illegal migrants to the U.S. With an average monthly wage of EUR 269 for last quarter of 2008 and prognosis of EUR 307 for the first quarter of 2009, Bulgaria has one of the lowest income levels in the EU. The unemployment rate for the last quarter of 2008 averaged 6.42 percent, down by 1.3 percent from the last quarter of 2007.

The unemployment rate for the first quarter of 2009 averaged 6.7 percent, up by 0.3 percent from the last quarter of 2008. In March 2009, according to the NSI business inquiries, the industrial confidence indicator fell by 3.2 percentage points compared to the February level. The decrease was due to the lower demand and the low expectations of managers for production activity in industry

over the next 3 months. In February 2009 the harmonized index of consumer prices increased by 5.4 percent overall compared to the same month of 2008, due to an increase in prices registered in all observed groups with the exception of transport and communications.

For the period January, 2009 - March, 2009 the inflation rate in Bulgaria was 6 percent, which is higher than it was for the same period last year. The government expects the inflation rate for the end of 2009 to be 4.2 percent. This would edge Bulgaria closer to meeting requirements for Euro adoption by 2010. Unemployment stood at 5 percent in the fourth quarter of 2008. Compared to the same quarter of the previous year, the unemployment rate dropped by 1.1 percentage point and the number of the unemployed persons decreased by 37,600. These figures do not take into account underemployment and overall low wages, however.

According to the Bulgarian National Statistical Institute, the 7,578 Bulgarians who visited the U.S. in the reporting period represented a 0.8 percent increase from the same period last year. The number of Bulgarians visiting the United Kingdom (where they need no visa for tourism) decreased 1 percent. The number of Bulgarians visiting other countries in the EU rose 24 percent.

Local press and reports that more than 50,000 Bulgarian immigrants returned to Bulgaria because of the increasing unemployment rate abroad during the first quarter of 2009. Perhaps another fifth of Bulgarian economic migrants may return home in the near future because of the global crisis. According to a recent local NGO survey out-migration by Bulgarians has probably decreased by around 50 percent over the last 12-18 months. This year only 8 percent of Bulgarians aged 20-35 who were polled intended to leave the country. Last year's figure was 16 percent.

OC - EU: According to the European Commission interim report on Bulgaria's progress in implementing judicial reforms, Bulgaria has not demonstrated convincing results in key areas such as in the fight against high-level corruption and organized crime. "The commission's analysis of a sample of high-profile cases [organized crime] registered shows that only one case has been finalized since 2000 and half of the cases are still at the investigation stage." The European Commission also recommends that Sofia strengthen "actions to fight corruption within local government and vulnerable sectors such as healthcare and education." Cases of alleged high-level corruption and organized crime, when pursued at all, have continued to be subjected to frequent referrals and long delays on procedural grounds. An investigation of OLAF uncovered many irregularities related to a large number of tender offers which were used to support SAPARD applications in Bulgaria. Due to allegations of fraud and misuse, the European Commission froze more than USD 750 million in pre-accession funding to Bulgaria in 2008.

13. NIV FRAUD: fraud in Sofia remains fairly common, although FPU still does not see signs that visa fixers are becoming particularly advanced. Most fraud is relatively unsophisticated and easily identified, including phony bank statements, invitation and/or employment letters and so on.

B Visas - During this reporting period, problems consisted mainly of petty document fraud and applicants attempting to conceal previous overstays/illegal activities in the U.S. FPU completed a B1/B2 validation study for applicants who received visas from August to December 2007; we predicted a 10 percent overstay rate which generated a sample of 8 percent of the 4906 approved applicants for B1, B2 and B1/B2 visas. Using ADIS we verified returns for the people included in the sample. The overall overstay rate was 4 percent, up 0.75 percent from our last such study on January - July 2007 B visa recipients. Unemployed applicants from poorer regions were over-represented among overstays, but otherwise we found no telling indicators. Age, gender or prior visa issuance did not prove to be relevant factors in fraud cases. Individual B1/B2 investigations revealed occasional applicant connections with organized crime, including illegal weapons possession, involvement in arms or narcotics trafficking and association with known OC figures. For the reporting period FPU assisted in seventeen B1/B2 cases where applicants were suspected to have connections with OC. In all cases the visas were denied.

C1/D Visas - Bulgaria has a long coastline on the Black Sea which

includes the two major ports of Varna and Burgas. The shipping industry is a major employer in that region, so we have a steady stream of sailors applying for C1/D visas. FPU maintains close contacts with all notable local shipping companies for monitoring and verification, but C1/D fraud can still be a problem. To combat it we reserve a certain morning of the week for C1/D applicants to apply separately from other NIV applicants, which allows us to better monitor flow and spot outliers more easily. In addition FPU routinely monitors and investigates press reports and advertising, as well as internet chat rooms that indicate attempted abuse of this category by both facilitators and past or potential applicants. The most common profile of the dubious C1/D applicant is a relatively young man with limited experience as a seaman, a new passport, a limited travel history or no travel history at all and not from Varna or Burgas. Typically he intends to work on a private yacht, a job he says he found on the internet.

H Visas - FPU completed a validation study of applicants who received H2B visas for the calendar year 2007. During that period consular officers approved 982 applications for H2B visas, while refusing applicants at a rate of 30 percent. Using the same methods as described in the B visa study, FPU sampled 10 per cent of the approved applicants. We found an overall overstay rate of 33 percent, down slightly from our last H2B study. This confirmed overstay rate, especially when considered in light of a high refusal rate, is consistent with the facts on the ground: many Bulgarians have limited opportunities to make good salaries in their own country and continue to seek legal and illegal opportunities to work overseas. For the reporting period we had 149 H2B applicants, a 43 percent decrease compared with the same period in 2007 - 2008.

J-1 Visas - We noted in reftel our interest in seeing if a couple of new factors connected with the J1 Summer Work and Travel program would have an impact on overstay rates for this visa category. In 2007, for the first time, final year university students were eligible to participate in SWT. Thus our refusal rate for these final year students and, consequently, our overall SWT refusal rate was significantly lower that year than in the past. Our SWT volume in the first quarter of 2009 dropped significantly, by nearly 50 percent. FPU predicted an overstay rate of 8 percent for the purposes of conducting a SWT validation study, which generated a sample of 314 approved applicants. Upon accounting for 100 percent of these SWT participants, we were pleasantly surprised to find an overstay rate of only 6 percent, a 2 percent drop from the year before. More final year students applied and were issued in 2008 than in 2007, so we conducted a separate study for all last year students who were issued visas. The overstay rate was 11 percent for this group.

For the first quarter of 2009 SWT season we had just over 1,500 J1 visa applicants, with only 3 cases of fraud detected. All applicants presenting fake documents were interviewed by FPU. In most of the cases alterations were made by the applicants. We found no evidence for the possible existence of an organized production of false student documents.

14. IV FRAUD: We have a steady trend of Chicago step-child fraud cases, in which American Citizens who have recently married Bulgarians (fraudulently) petition for the stepchildren of their new spouses. In most of these cases we come to the conclusion that the marriage is for the purpose of the adoption only, and that the natural parents are still in reality "together," though not both living in the U.S. Presumably the other natural parent plans on trying to get to the U.S. subsequently by some other means. For the reporting period we had one marriage fraud case, one fraudulent case of third preference employment based visa.

15. DV FRAUD: The number of DV applications at post has decreased in recent years as available numbers have dropped, and DV fraud is not common here. We had just one counterfeit high-school diploma, and had no DV marriage fraud cases for this reporting period.

16. ACS AND PASSPORT FRAUD: We have traditionally experienced extremely low levels of ACS and passport fraud in Sofia, and FPU had just one fraudulent attempt to secure an American passport for a baby.

17. ADOPTION FRAUD: FPU has seen no recent cases of adoption fraud. Bulgaria began implementing new laws governing adoptions by

foreigners in 2004, in order to bring the country into compliance with the Hague Convention, and as a result the number of such adoptions dropped precipitously. In 2008 only 5 adoptions by U.S. citizens took place in Bulgaria, a drop of more than 90 percent from only 5 years earlier.

**18. ASYLUM AND OTHER DHS BENEFITS FRAUD:** Asylum claims by Bulgarian citizens based on alleged Roma ethnicity may have decreased somewhat in recent years, but we still see discouraged asylum seekers granted voluntary departure from the U.S. When these individuals are interviewed by FPU upon their return to Bulgaria, they typically admit they are not Roma, and that they sought asylum in the U.S. due to the lack of economic opportunities in Bulgaria. During the reporting period there were seventeen Visas 92 cases in Sofia. Due to the high-fraud rate in this visa category we conduct investigations into almost all Visas 92 cases and have yet to see one where we believe the original asylum claim was not fraudulent. We have sent several cables on this topic in the past year. We have also seen an increase in the number of family members applying for B1B2 visas who want to visit relatives (usually children or spouses) who have claimed asylum and have green cards. In most cases the family members here admit that they are not Roma and say that their relatives decided to claim asylum for economic reasons. These visas are usually denied.

**19. COOPERATION WITH HOST GOVERNMENT AUTHORITIES:** Cooperation with Bulgarian authorities remains good. Post receives valuable assistance from Law Enforcement Agencies, including entry/exit data upon request from the Bulgarian Border Police database.

**10. AREAS OF PARTICULAR CONCERN:** At 33 percent, the H2B overstay rate is certainly worrisome. Our refusal rate in this category is already high (over 50 percent for the reporting period), and our challenge is to develop useful criteria that will help us to distinguish among applicants. Over the past three quarters, we have for the most part been issuing applicants who previously worked on H2B visas and honored the terms of those visas, returning to Bulgaria intermittently for regular, substantial periods. Officers are more apt to refuse applicants who have used H2B visas and DHS-approved extensions to spend virtually all of their time over the last several years in the U.S. Those individuals are building lives in the U.S. and do not seem to see their futures in Bulgaria. First-time applicants who cannot articulate any credible plan or vision for a life in Bulgaria, or those who are long-time employees in the same occupation in which they seek to work in the U.S. (waitresses or bartenders, for example), also routinely fail to overcome 214(b).

FPU continues to monitor closely the major Bulgarian Internet forums, which openly discuss a variety of Immigration issues, including how to evade U.S. immigration laws.

**11. ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME:** Bulgaria is a transit point for illegal migration and alien smuggling as well as a source country for illegal migration to the United States. A common smuggling scheme remains for Bulgarians to travel to Mexico as "tourists" (they no longer need Mexican visas to do this) and then be smuggled across the southern U.S. border. This route has been used for many years, and is probably becoming even more traveled now that the Mexican visa requirement has been lifted. See the above comments about false asylum claims.

According to Bulgarian Border Police 7,262 illegal immigrants have been captured in Bulgaria since the beginning of 2007. Most of the migrants come from Iraq, Palestine and Turkey via Turkish territory.

The border police also tell us that in 2007 they broke up 11 gangs that were trafficking people to Bulgaria, arresting the operators. According to the Ministry of Interior, Bulgaria received 120 million Euro from the EU to equip National border police with technical equipment for processing passports with biometric data.

Bulgarian Organized Crime continues to be active and very visible in Bulgaria, and we continue to tune and enforce our "No Thugs to America" program. Our goal is to deny visas to all those connected with organized crime and corruption, and to publicize this intent in order to emphasize the seriousness of the problem. We hope this will encourage the Bulgarian public to decry it and the Bulgarian government to fight it. FPU prepared a new in-house report this

period, supplementing an OC "who's who" it had already circulated, outlining new structures and developments in the major criminal organizations. We also maintain databases that can search business ownership and identify members of boards of directors and executive officers.

¶12. HOST COUNTRY PASSPORT: The current Bulgarian passport is a secure, up-to-date document with appropriate security features that meet EU requirements. The passport does not yet have biometric security features apart from a digitalized photo, but counterfeiting is difficult and incidents of bio-page alteration are rare. Anecdotal evidence suggests that genuine passports are occasionally sold or stolen and altered for the purposes of illegal travel, but we have seen very few cases of stolen or sold Bulgarian passports used for illegal travel to the U.S. Due to low-quality forgeries, the majority of these cases are easily detected by the Border Police. Identity theft is the major concern for the passport issuing authorities in Bulgaria. According to government officials, blank passports have never been reported lost or stolen. We expect that GOB will start replacing current passports with a newly designed e-Passport sometime in the summer of 2009.

¶13. STAFFING AND TRAINING: The current Fraud Prevention Manager is vice consul Carolyn Turpin. She will be replaced by vice consul Sarah Stewart effective May 22, 2009. Iglika Kolishka is the Consular Investigator. FPU continues to make increased and effective use of the latest available anti-fraud technology such as the ADIS search engine, Lexis/Nexis and CCD text search, in conjunction with local tracking systems and an image database.

McEldowney